

I certify that the attached is a true and  
correct copy of HB 438, which  
was filed of record on JAN 11 1989  
and referred to the committee on:  
Agriculture & Livestock

*Betty Munro*  
Chief Clerk of the House

FILED JAN 16 1989

By *D. DeLoach*

H. B. No. 438

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the Rural Economic Development  
3 Commission and recommendations for development and economic growth  
4 of rural areas and expanding agribusiness.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. RURAL ECONOMIC DEVELOPMENT COMMISSION. (a) The  
7 Rural Economic Development Commission consists of:

- 8 (1) five members appointed by the governor;  
9 (2) two members appointed by the lieutenant governor;

10 and

- 11 (3) two members appointed by the speaker of the house  
12 of representatives.

13 (b) The governor shall designate the chairman of the  
14 commission. The commission shall elect its vice-chairman from  
15 among its members.

16 (c) The commission shall meet at the call of the chairman.

17 (d) An appointment to fill a vacancy of a commission member  
18 shall be made in the same manner as the original appointment.

19 (e) A member of the commission is not entitled to  
20 compensation for services as a commission member.

21 (f) The commission may act only by an affirmative vote of a  
22 majority of its entire membership.

23 (g) The executive director and staff of the Texas Department  
24 of Commerce shall serve as the executive director and staff of the

1 commission and shall, under the direction of the commission,  
2 perform the administrative duties necessary to carry out the  
3 purposes of this Act.

4 SECTION 2. DUTIES AND FUNCTIONS. The commission's duties  
5 and functions are to:

6 (1) conduct studies and make findings and  
7 recommendations regarding revitalization of rural areas and the  
8 expansion of agribusiness in the state;

9 (2) evaluate the performance and long-term benefits of  
10 existing state rural economic development efforts for consistency  
11 and coordination and for their effect on job creation;

12 (3) review economic development policy recommendations  
13 made by other agencies or organizations concerning rural areas and  
14 recommend to the legislature strategies, policies, and programs  
15 that the commission considers in the best interest of rural areas  
16 of the state;

17 (4) study the rural economic development programs and  
18 policies of other states and determine the feasibility of adapting  
19 those programs or policies for implementation in this state;

20 (5) hold public hearings and receive recommendations  
21 from interested persons and organizations;

22 (6) appoint, as necessary, task forces or other panels  
23 to study and report on specific issues; and

24 (7) perform other duties and functions the commission  
25 determines necessary to carry out the purposes of this Act.

26 SECTION 3. REPORT. The commission shall submit a report of  
27 its findings to the legislature in January 1991.

1           SECTION 4. ASSISTANCE FROM STATE AGENCIES AND OFFICERS. On  
2 request of the commission, a state agency or officer shall provide  
3 assistance to the commission in carrying out its duties.

4           SECTION 5. ABOLISHMENT OF COMMISSION. The Rural Economic  
5 Development Commission is abolished and Sections 1-5 of this Act  
6 expire January 31, 1991.

7           SECTION 6. AMENDMENTS TO TEXAS DEPARTMENT OF COMMERCE ACT.

8           (a) Section 2.002(a), Texas Department of Commerce Act (Article  
9 4413(301), Vernon's Texas Civil Statutes), is amended to read as  
10 follows:

11           (a) The department is responsible for planning, organizing,  
12 and implementing programs for:

13                   (1) attracting and locating new businesses in this  
14 state;

15                   (2) encouraging the growth and expansion of existing  
16 businesses, including tourism, in this state; [and]

17                   (3) working with local governments and organizations  
18 to improve their communities; and

19                   (4) emphasizing rural economic development.

20           (b) Section 5.003(a), Texas Department of Commerce Act  
21 (Article 4413(301), Vernon's Texas Civil Statutes), is amended to  
22 read as follows:

23           (a) The office shall:

24                   (1) examine the role of small businesses in the  
25 state's economy and the contribution of small businesses in  
26 generating economic activity, expanding employment opportunities,  
27 promoting exports, stimulating innovation and entrepreneurship, and

1 bringing new and untested products and services to the marketplace;

2 (2) serve as the principal advocate in the state on  
3 behalf of small businesses and provide advice in the consideration  
4 of administrative requirements and legislation that affect small  
5 businesses;

6 (3) evaluate the effectiveness of efforts of state  
7 agencies and other entities to assist small businesses and make  
8 appropriate recommendations to assist the development and  
9 strengthening of small business enterprise;

10 (4) identify specific instances in which regulations  
11 inhibit small business development and to the extent possible  
12 identify conflicting state policy goals;

13 (5) determine the availability of financial and other  
14 resources to small businesses and recommend methods for:

15 (A) increasing the availability of equity  
16 capital and other forms of financial assistance to small  
17 businesses;

18 (B) generating markets for the goods and  
19 services of small businesses;

20 (C) providing more effective education,  
21 training, and management and technical assistance to small  
22 businesses; and

23 (D) providing assistance to small businesses in  
24 complying with federal, state, and local laws;

25 (6) describe the reasons for small business successes  
26 and failures, ascertain the related factors that are particularly  
27 important in Texas, and recommend actions for increasing the

1 success rate of small businesses;

2 (7) serve as a focal point for receiving complaints  
3 and suggestions concerning state government policies and activities  
4 that affect small businesses;

5 (8) assist with the resolution of problems between  
6 state agencies and small businesses;

7 (9) develop and advocate proposals for changes in  
8 state policies and activities that adversely affect small  
9 businesses;

10 (10) provide to legislative committees and state  
11 agencies information on the effects of proposed policies or actions  
12 that affect small businesses;

13 (11) enlist the assistance of public and private  
14 agencies, businesses, and other organizations in disseminating  
15 information about state programs and services that benefit small  
16 businesses and information regarding means by which small  
17 businesses can use those programs and services;

18 (12) provide information and assistance relating to  
19 establishing, operating, or expanding small businesses;

20 (13) establish and operate a statewide toll-free  
21 telephone service providing small businesses with ready access to  
22 the services offered by the office;

23 (14) identify sources of financial assistance for  
24 small businesses, match small businesses with sources of financial  
25 assistance, and assist small businesses with the preparation of  
26 applications for loans from governmental or private sources;

27 (15) sponsor meetings, to the extent practicable in

1 cooperation with public and private educational institutions, to  
2 provide training and disseminate information beneficial to small  
3 businesses;

4 (16) assist small businesses in their dealings with  
5 federal, state, and local governmental agencies and provide  
6 information regarding governmental requirements affecting small  
7 businesses;

8 (17) perform research, studies, and analyses of  
9 matters affecting the interests of small businesses;

10 (18) develop and implement programs to encourage  
11 governmental agencies, public sector business associations, and  
12 other organizations to provide useful services to small businesses;

13 (19) use available resources within the state, such as  
14 small business development centers, educational institutions, and  
15 nonprofit associations, to coordinate the provision of management  
16 and technical assistance to small businesses in a systematic  
17 manner;

18 (20) publish newsletters, brochures, and other  
19 documents containing information useful to small businesses;

20 (21) identify successful small business assistance  
21 programs provided by other states and determine the feasibility of  
22 adapting those programs for implementation in Texas;

23 (22) establish an outreach program to make the  
24 existence of the office known to small businesses and potential  
25 clients throughout the state;

26 (23) adopt rules necessary to carry out this article;

27 (24) identify potential business opportunities for

1 small businesses in the border region and develop programs to  
2 maximize those opportunities; [and]

3 (25) identify potential business opportunities for  
4 small businesses in rural areas of this state and develop programs  
5 to maximize those opportunities; and

6 (26) perform any other functions necessary to carry  
7 out the purposes of this article.

8 SECTION 7. AMENDMENTS TO GOVERNMENT CODE. (a) Section  
9 481.022(a), Government Code, is amended to read as follows:

10 (a) The department shall plan, organize, and implement  
11 programs for:

12 (1) attracting and locating new businesses in this  
13 state;

14 (2) encouraging the growth and expansion of existing  
15 businesses, including tourism, in this state; [and]

16 (3) working with local governments and organizations  
17 to improve their communities; and

18 (4) emphasizing rural economic development.

19 (b) Section 481.103(a), Government Code, is amended to read  
20 as follows:

21 (a) The office shall:

22 (1) examine the role of small businesses in the  
23 state's economy and the contribution of small businesses in  
24 generating economic activity, expanding employment opportunities,  
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26 bringing new and untested products and services to the marketplace;

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1   behalf of small businesses and provide advice in the consideration  
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5   agencies and other entities to assist small businesses and make  
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7   strengthening of small business enterprise;

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17   services of small businesses;

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19   training, and management and technical assistance to small  
20   businesses; and

21                   (D) providing assistance to small businesses in  
22   complying with federal, state, and local laws;

23               (6) describe the reasons for small business successes  
24   and failures, ascertain the related factors that are particularly  
25   important in this state, and recommend actions for increasing the  
26   success rate of small businesses;

27               (7) serve as a focal point for receiving complaints



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2 that affect small businesses;

3 (8) assist with the resolution of problems among state  
4 agencies and small businesses;

5 (9) develop and advocate proposals for changes in  
6 state policies and activities that adversely affect small  
7 businesses;

8 (10) provide to legislative committees and state  
9 agencies information on the effects of proposed policies or actions  
10 that affect small businesses;

11 (11) enlist the assistance of public and private  
12 agencies, businesses, and other organizations in disseminating  
13 information about state programs and services that benefit small  
14 businesses and information regarding means by which small  
15 businesses can use those programs and services;

16 (12) provide information and assistance relating to  
17 establishing, operating, or expanding small businesses;

18 (13) establish and operate a statewide toll-free  
19 telephone service providing small businesses with ready access to  
20 the services offered by the office;

21 (14) identify sources of financial assistance for  
22 small businesses, match small businesses with sources of financial  
23 assistance, and assist small businesses with the preparation of  
24 applications for loans from governmental or private sources;

25 (15) sponsor meetings, to the extent practicable in  
26 cooperation with public and private educational institutions, to  
27 provide training and disseminate information beneficial to small

1 businesses;

2 (16) assist small businesses in their dealings with  
3 federal, state, and local governmental agencies and provide  
4 information regarding governmental requirements affecting small  
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7 matters affecting the interests of small businesses;

8 (18) develop and implement programs to encourage  
9 governmental agencies, public sector business associations, and  
10 other organizations to provide useful services to small businesses;

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20 adapting those programs for implementation in this state;

21 (22) establish an outreach program to make the  
22 existence of the office known to small businesses and potential  
23 clients throughout the state;

24 (23) adopt rules necessary to carry out this  
25 subchapter;

26 (24) identify potential business opportunities for  
27 small businesses in the border region and develop programs to

1 maximize those opportunities; [and]

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3 small businesses in rural areas of this state and develop programs  
4 to maximize those opportunities; and

5 (26) perform any other functions necessary to carry  
6 out the purposes of this subchapter.

7 SECTION 8. EFFECTIVE DATE. (a) Except as provided by  
8 Subsections (b) and (c) of this section, this Act takes effect  
9 September 1, 1989.

10 (b) If on September 1, 1989, an Act of the 71st Legislature,  
11 Regular Session, 1989, codifying the Texas Department of Commerce  
12 Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of  
13 the Executive Title, Government Code, is effective, Section 6 of  
14 this Act does not take effect.

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18 the Executive Title, Government Code, is not effective, Section 7  
19 of this Act does not take effect.

20 SECTION 9. EMERGENCY. The importance of this legislation  
21 and the crowded condition of the calendars in both houses create an  
22 emergency and an imperative public necessity that the  
23 constitutional rule requiring bills to be read on three several  
24 days in each house be suspended, and this rule is hereby suspended.

# HOUSE COMMITTEE REPORT

89 FEB 23 PM 5:49  
HOUSE OF REPRESENTATIVES

## 1st Printing

By Waterfield

H.B. No. 438

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27 (15) sponsor meetings, to the extent practicable in



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23 (22) establish an outreach program to make the  
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25 clients throughout the state;

26 (23) adopt rules necessary to carry out this article;

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2 maximize those opportunities; [and]

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22 emergency and an imperative public necessity that the  
23 constitutional rule requiring bills to be read on three several  
24 days in each house be suspended, and this rule is hereby suspended.

COMMITTEE REPORT

The Honorable Gib Lewis  
Speaker of the House of Representatives

2-22-89  
(date)

Sir:

We, your COMMITTEE ON AGRICULTURE AND LIVESTOCK,

to whom was referred H.B. 438 have had the same under consideration and beg to report  
(measure)

back with the recommendation that it

- ☒ do pass, without amendment.  
☐ do pass, with amendment(s).  
☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. ☒ yes ☐ no An actuarial analysis was requested. ☐ yes ☒ no

An author's fiscal statement was requested. ☐ yes ☒ no

A criminal justice policy impact statement was prepared. ☐ yes ☒ no

A water development policy impact statement was requested. ☐ yes ☒ no

☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars for placement on the ☐ Local, ☐ Consent, or ☐ Resolutions Calendar.

This measure ☒ proposes new law. ☒ amends existing law.

House Sponsor of Senate Measure \_\_\_\_\_

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Harrison, Ch.	X			
Patterson, V.C.	X			
Earley, C.B.O.	X			
Cuellar, R.	X			
Edge	X			
Johnson, J.	X			
Kubiak	X			
Robinson	X			
Waterfield	X			

Total  
9 aye  
0 nay  
0 present, not voting  
0 absent

Dudley Harrison  
CHAIRMAN  
Liberal K. Wall  
COMMITTEE COORDINATOR

## COMMITTEE ON AGRICULTURE AND LIVESTOCK

H.B. 438  
By WATERFIELD

### BILL ANALYSIS

#### BACKGROUND INFORMATION

Texas agriculture and rural communities are interrelated and interdependent. The 1988 Governor's Task Force on Agricultural Development cited significant declines during the 1980's in farm income and a corresponding reduction in revenue from other natural resources-based industries in many rural communities in Texas. This reduced economic activity has also resulted in increased problems in service and finances for rural areas. This bill would create the Rural Economic Development Commission, staffed by the Department of Commerce, to address these problems.

#### PURPOSE

The bill creates the Rural Economic Development Commission to conduct studies and to make recommendations regarding revitalization of rural areas and the expansion of agribusiness.

#### SECTION-BY-SECTION ANALYSIS

##### SECTION 1. Rural Economic Development Commission.

- (a) Sets forth the membership of the commission.
- (b) Authorizes the governor to designate the chairman and the commission to elect the vice-chairman from among its members.
- (c) Requires the commission to meet at the call of the chairman.
- (d) Provides for an appointment to fill a vacancy or a commission member.
- (e) Prohibits a commission member from receiving compensation for services as a member.
- (f) Requires an affirmative vote of a majority of the commission in order for the commission to act.
- (g) Provides that the executive director and staff of the Texas Department of Commerce will serve as the executive director and staff of the commission.

SECTION 2. Duties and Functions. Sets forth the duties and functions of the commission.

SECTION 3. Report. Requires the commission to submit a report to the legislature in January 1991.

SECTION 4. Assistance from State Agencies and Officers. Requires a state agency or officer to assist the commission upon request.

SECTION 5. Abolishment of Commission. Abolishes the Rural Economic Development Commission on January 31, 1991.

SECTION 6. Amends Section 2.002(a), Texas Department of Commerce Act as follows:

- (a) Expands the responsibilities of the Department of Commerce by including programs that would emphasize rural economic development.



(b) Amends Section 5.003(a), Texas Department of Commerce Act to expand the duties of the office to identify potential business opportunities for small businesses in rural areas of this state and develop programs to maximize those opportunities.

SECTION 7. Amends Sections 481.0022(a) and 481.103(a), Government Code, exactly as Section 6 above in the event the act is codified as part of the Government Code.

SECTION 8. Effective Date: September 1, 1989, except as noted.

SECTION 9. Emergency Clause.

#### RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not delegate any rulemaking authority to a state agency, officer, department, or institution.

#### SUMMARY OF COMMITTEE ACTION

H.B. 438 was considered in a public hearing on February 22, 1989. The following persons testified for the bill:

Carla West, Assistant Director, representing the Texas Farm Bureau,  
Horace Groff, representing the Texas Association of Counties,  
Ray Prewett, representing Texas Citrus Mutual, and  
Dana Chiodo, Director of Government Relations, Roan, Simpson, and Autrey, representing the American Electronics Association.

The following persons did not testify but registered in support of the bill:

Larry Milner, representing the Texas Chamber of Commerce and Walter Fisher, representing the Texas Municipal League.

The following persons testified on the bill as resource witnesses:

Julia Moake, Director of Office of Community Initiatives, representing the Texas Department of Commerce and Tim Shaunty representing Texas A&M University.

The following person did not testify but was available as a resource witness: Brian Mueller, marketing specialist, representing the Texas Department of Agriculture.

No one testified against the bill. The committee voted to report H.B. 438 to the House with the recommendation that it do pass, without amendments, with a record vote of 9 ayes, 0 nays, 0 PNV, and 0 absent.

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

February 16, 1989

TO: Honorable Dudley Harrison, Chair  
Committee on Agriculture & Livestock  
House of Representatives  
Austin, Texas

In Re: House Bill No. 438  
By: Waterfield

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Bill No. 438 (relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would create the Rural Economic Development Commission. The Commission would conduct studies regarding revitalization of rural areas and the expansion of agribusiness in the state; evaluate existing rural economic development efforts, and perform other duties related to the study and evaluation of rural economic development.\* The Commission would submit a report of its findings to the Legislature in January 1991. The Commission would be abolished January 31, 1991.

The fiscal implications to the State or units of local government cannot be determined.

Source: Department of Commerce  
LBB Staff: JO, JWH, AL, PVT, CKM

89 MAR 14 AM 11:54  
HOUSE OF REPRESENTATIVES

By Waterfield

ENGROSSED  
SECOND READING  
H.B. No. 438

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. RURAL ECONOMIC DEVELOPMENT COMMISSION. (a) The Rural Economic Development Commission consists of:

(1) five members appointed by the governor;

(2) two members appointed by the lieutenant governor;

and

(3) two members appointed by the speaker of the house of representatives.

(b) The governor shall designate the chairman of the commission. The commission shall elect its vice-chairman from among its members.

(c) The commission shall meet at the call of the chairman.

(d) An appointment to fill a vacancy of a commission member shall be made in the same manner as the original appointment.

(e) A member of the commission is not entitled to compensation for services as a commission member.

(f) The commission may act only by an affirmative vote of a majority of its entire membership.

(g) The executive director and staff of the Texas Department of Commerce shall serve as the executive director and staff of the

1 commission and shall, under the direction of the commission,  
2 perform the administrative duties necessary to carry out the  
3 purposes of this Act.

4 SECTION 2. DUTIES AND FUNCTIONS. The commission's duties  
5 and functions are to:

6 (1) conduct studies and make findings and  
7 recommendations regarding revitalization of rural areas and the  
8 expansion of agribusiness in the state;

9 (2) evaluate the performance and long-term benefits of  
10 existing state rural economic development efforts for consistency  
11 and coordination and for their effect on job creation;

12 (3) review economic development policy recommendations  
13 made by other agencies or organizations concerning rural areas and  
14 recommend to the legislature strategies, policies, and programs  
15 that the commission considers in the best interest of rural areas  
16 of the state;

17 (4) study the rural economic development programs and  
18 policies of other states and determine the feasibility of adapting  
19 those programs or policies for implementation in this state;

20 (5) hold public hearings and receive recommendations  
21 from interested persons and organizations;

22 (6) appoint, as necessary, task forces or other panels  
23 to study and report on specific issues; and

24 (7) perform other duties and functions the commission  
25 determines necessary to carry out the purposes of this Act.

26 SECTION 3. REPORT. The commission shall submit a report of  
27 its findings to the legislature in January 1991.

1           SECTION 4. ASSISTANCE FROM STATE AGENCIES AND OFFICERS. On  
2 request of the commission, a state agency or officer shall provide  
3 assistance to the commission in carrying out its duties.

4           SECTION 5. ABOLISHMENT OF COMMISSION. The Rural Economic  
5 Development Commission is abolished and Sections 1-5 of this Act  
6 expire January 31, 1991.

7           SECTION 6. AMENDMENTS TO TEXAS DEPARTMENT OF COMMERCE ACT.

8       (a) Section 2.002(a), Texas Department of Commerce Act (Article  
9 4413(301), Vernon's Texas Civil Statutes), is amended to read as  
10 follows:

11           (a) The department is responsible for planning, organizing,  
12 and implementing programs for:

13                   (1) attracting and locating new businesses in this  
14 state;

15                   (2) encouraging the growth and expansion of existing  
16 businesses, including tourism, in this state; [and]

17                   (3) working with local governments and organizations  
18 to improve their communities; and

19                   (4) emphasizing rural economic development.

20       (b) Section 5.003(a), Texas Department of Commerce Act  
21 (Article 4413(301), Vernon's Texas Civil Statutes), is amended to  
22 read as follows:

23           (a) The office shall:

24                   (1) examine the role of small businesses in the  
25 state's economy and the contribution of small businesses in  
26 generating economic activity, expanding employment opportunities,  
27 promoting exports, stimulating innovation and entrepreneurship, and

1 bringing new and untested products and services to the marketplace;

2 (2) serve as the principal advocate in the state on  
3 behalf of small businesses and provide advice in the consideration  
4 of administrative requirements and legislation that affect small  
5 businesses;

6 (3) evaluate the effectiveness of efforts of state  
7 agencies and other entities to assist small businesses and make  
8 appropriate recommendations to assist the development and  
9 strengthening of small business enterprise;

10 (4) identify specific instances in which regulations  
11 inhibit small business development and to the extent possible  
12 identify conflicting state policy goals;

13 (5) determine the availability of financial and other  
14 resources to small businesses and recommend methods for:

15 (A) increasing the availability of equity  
16 capital and other forms of financial assistance to small  
17 businesses;

18 (B) generating markets for the goods and  
19 services of small businesses;

20 (C) providing more effective education,  
21 training, and management and technical assistance to small  
22 businesses; and

23 (D) providing assistance to small businesses in  
24 complying with federal, state, and local laws;

25 (6) describe the reasons for small business successes  
26 and failures, ascertain the related factors that are particularly  
27 important in Texas, and recommend actions for increasing the

1 success rate of small businesses;

2 (7) serve as a focal point for receiving complaints  
3 and suggestions concerning state government policies and activities  
4 that affect small businesses;

5 (8) assist with the resolution of problems between  
6 state agencies and small businesses;

7 (9) develop and advocate proposals for changes in  
8 state policies and activities that adversely affect small  
9 businesses;

10 (10) provide to legislative committees and state  
11 agencies information on the effects of proposed policies or actions  
12 that affect small businesses;

13 (11) enlist the assistance of public and private  
14 agencies, businesses, and other organizations in disseminating  
15 information about state programs and services that benefit small  
16 businesses and information regarding means by which small  
17 businesses can use those programs and services;

18 (12) provide information and assistance relating to  
19 establishing, operating, or expanding small businesses;

20 (13) establish and operate a statewide toll-free  
21 telephone service providing small businesses with ready access to  
22 the services offered by the office;

23 (14) identify sources of financial assistance for  
24 small businesses, match small businesses with sources of financial  
25 assistance, and assist small businesses with the preparation of  
26 applications for loans from governmental or private sources;

27 (15) sponsor meetings, to the extent practicable in

1 cooperation with public and private educational institutions, to  
2 provide training and disseminate information beneficial to small  
3 businesses;

4 (16) assist small businesses in their dealings with  
5 federal, state, and local governmental agencies and provide  
6 information regarding governmental requirements affecting small  
7 businesses;

8 (17) perform research, studies, and analyses of  
9 matters affecting the interests of small businesses;

10 (18) develop and implement programs to encourage  
11 governmental agencies, public sector business associations, and  
12 other organizations to provide useful services to small businesses;

13 (19) use available resources within the state, such as  
14 small business development centers, educational institutions, and  
15 nonprofit associations, to coordinate the provision of management  
16 and technical assistance to small businesses in a systematic  
17 manner;

18 (20) publish newsletters, brochures, and other  
19 documents containing information useful to small businesses;

20 (21) identify successful small business assistance  
21 programs provided by other states and determine the feasibility of  
22 adapting those programs for implementation in Texas;

23 (22) establish an outreach program to make the  
24 existence of the office known to small businesses and potential  
25 clients throughout the state;

26 (23) adopt rules necessary to carry out this article;

27 (24) identify potential business opportunities for



1 small businesses in the border region and develop programs to  
2 maximize those opportunities; [and]

3 (25) identify potential business opportunities for  
4 small businesses in rural areas of this state and develop programs  
5 to maximize those opportunities; and

6 (26) perform any other functions necessary to carry  
7 out the purposes of this article.

8 SECTION 7. AMENDMENTS TO GOVERNMENT CODE. (a) Section  
9 481.022(a), Government Code, is amended to read as follows:

10 (a) The department shall plan, organize, and implement  
11 programs for:

12 (1) attracting and locating new businesses in this  
13 state;

14 (2) encouraging the growth and expansion of existing  
15 businesses, including tourism, in this state; [and]

16 (3) working with local governments and organizations  
17 to improve their communities; and

18 (4) emphasizing rural economic development.

19 (b) Section 481.103(a), Government Code, is amended to read  
20 as follows:

21 (a) The office shall:

22 (1) examine the role of small businesses in the  
23 state's economy and the contribution of small businesses in  
24 generating economic activity, expanding employment opportunities,  
25 promoting exports, stimulating innovation and entrepreneurship, and  
26 bringing new and untested products and services to the marketplace;

27 (2) serve as the principal advocate in the state on

1   behalf of small businesses and provide advice in the consideration  
2   of administrative requirements and legislation that affect small  
3   businesses;

4               (3) evaluate the effectiveness of efforts of state  
5   agencies and other entities to assist small businesses and make  
6   appropriate recommendations to assist the development and  
7   strengthening of small business enterprise;

8               (4) identify specific instances in which regulations  
9   inhibit small business development and to the extent possible  
10   identify conflicting state policy goals;

11              (5) determine the availability of financial and other  
12   resources to small businesses and recommend methods for:

13                   (A) increasing the availability of equity  
14   capital and other forms of financial assistance to small  
15   businesses;

16                   (B) generating markets for the goods and  
17   services of small businesses;

18                   (C) providing more effective education,  
19   training, and management and technical assistance to small  
20   businesses; and

21                   (D) providing assistance to small businesses in  
22   complying with federal, state, and local laws;

23               (6) describe the reasons for small business successes  
24   and failures, ascertain the related factors that are particularly  
25   important in this state, and recommend actions for increasing the  
26   success rate of small businesses;

27               (7) serve as a focal point for receiving complaints

1 and suggestions concerning state government policies and activities  
2 that affect small businesses;

3 (8) assist with the resolution of problems among state  
4 agencies and small businesses;

5 (9) develop and advocate proposals for changes in  
6 state policies and activities that adversely affect small  
7 businesses;

8 (10) provide to legislative committees and state  
9 agencies information on the effects of proposed policies or actions  
10 that affect small businesses;

11 (11) enlist the assistance of public and private  
12 agencies, businesses, and other organizations in disseminating  
13 information about state programs and services that benefit small  
14 businesses and information regarding means by which small  
15 businesses can use those programs and services;

16 (12) provide information and assistance relating to  
17 establishing, operating, or expanding small businesses;

18 (13) establish and operate a statewide toll-free  
19 telephone service providing small businesses with ready access to  
20 the services offered by the office;

21 (14) identify sources of financial assistance for  
22 small businesses, match small businesses with sources of financial  
23 assistance, and assist small businesses with the preparation of  
24 applications for loans from governmental or private sources;

25 (15) sponsor meetings, to the extent practicable in  
26 cooperation with public and private educational institutions, to  
27 provide training and disseminate information beneficial to small

1 businesses;

2 (16) assist small businesses in their dealings with  
3 federal, state, and local governmental agencies and provide  
4 information regarding governmental requirements affecting small  
5 businesses;

6 (17) perform research, studies, and analyses of  
7 matters affecting the interests of small businesses;

8 (18) develop and implement programs to encourage  
9 governmental agencies, public sector business associations, and  
10 other organizations to provide useful services to small businesses;

11 (19) use available resources within the state, such as  
12 small business development centers, educational institutions, and  
13 nonprofit associations, to coordinate the provision of management  
14 and technical assistance to small businesses in a systematic  
15 manner;

16 (20) publish newsletters, brochures, and other  
17 documents containing information useful to small businesses;

18 (21) identify successful small business assistance  
19 programs provided by other states and determine the feasibility of  
20 adapting those programs for implementation in this state;

21 (22) establish an outreach program to make the  
22 existence of the office known to small businesses and potential  
23 clients throughout the state;

24 (23) adopt rules necessary to carry out this  
25 subchapter;

26 (24) identify potential business opportunities for  
27 small businesses in the border region and develop programs to

1 maximize those opportunities; [and]

2 (25) identify potential business opportunities for  
3 small businesses in rural areas of this state and develop programs  
4 to maximize those opportunities; and

5 (26) perform any other functions necessary to carry  
6 out the purposes of this subchapter.

7 SECTION 8. EFFECTIVE DATE. (a) Except as provided by  
8 Subsections (b) and (c) of this section, this Act takes effect  
9 September 1, 1989.

10 (b) If on September 1, 1989, an Act of the 71st Legislature,  
11 Regular Session, 1989, codifying the Texas Department of Commerce  
12 Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of  
13 the Executive Title, Government Code, is effective, Section 6 of  
14 this Act does not take effect.

15 (c) If on September 1, 1989, an Act of the 71st Legislature,  
16 Regular Session, 1989, codifying the Texas Department of Commerce  
17 Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of  
18 the Executive Title, Government Code, is not effective, Section 7  
19 of this Act does not take effect.

20 SECTION 9. EMERGENCY. The importance of this legislation  
21 and the crowded condition of the calendars in both houses create an  
22 emergency and an imperative public necessity that the  
23 constitutional rule requiring bills to be read on three several  
24 days in each house be suspended, and this rule is hereby suspended.

# HOUSE ENGROSSMENT

69MAR 15 PM 12:32  
HOUSE OF REPRESENTATIVES

By Waterfield, et al.

H.B. No. 438

## A BILL TO BE ENTITLED

### AN ACT

relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. RURAL ECONOMIC DEVELOPMENT COMMISSION. (a) The Rural Economic Development Commission consists of:

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(2) two members appointed by the lieutenant governor;

and

(3) two members appointed by the speaker of the house of representatives.

(b) The governor shall designate the chairman of the commission. The commission shall elect its vice-chairman from among its members.

(c) The commission shall meet at the call of the chairman.

(d) An appointment to fill a vacancy of a commission member shall be made in the same manner as the original appointment.

(e) A member of the commission is not entitled to compensation for services as a commission member.

(f) The commission may act only by an affirmative vote of a majority of its entire membership.

(g) The executive director and staff of the Texas Department of Commerce shall serve as the executive director and staff of the

1 commission and shall, under the direction of the commission,  
2 perform the administrative duties necessary to carry out the  
3 purposes of this Act.

4 SECTION 2. DUTIES AND FUNCTIONS. The commission's duties  
5 and functions are to:

6 (1) conduct studies and make findings and  
7 recommendations regarding revitalization of rural areas and the  
8 expansion of agribusiness in the state;

9 (2) evaluate the performance and long-term benefits of  
10 existing state rural economic development efforts for consistency  
11 and coordination and for their effect on job creation;

12 (3) review economic development policy recommendations  
13 made by other agencies or organizations concerning rural areas and  
14 recommend to the legislature strategies, policies, and programs  
15 that the commission considers in the best interest of rural areas  
16 of the state;

17 (4) study the rural economic development programs and  
18 policies of other states and determine the feasibility of adapting  
19 those programs or policies for implementation in this state;

20 (5) hold public hearings and receive recommendations  
21 from interested persons and organizations;

22 (6) appoint, as necessary, task forces or other panels  
23 to study and report on specific issues; and

24 (7) perform other duties and functions the commission  
25 determines necessary to carry out the purposes of this Act.

26 SECTION 3. REPORT. The commission shall submit a report of  
27 its findings to the legislature in January 1991.

1           SECTION 4. ASSISTANCE FROM STATE AGENCIES AND OFFICERS. On  
2 request of the commission, a state agency or officer shall provide  
3 assistance to the commission in carrying out its duties.

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8 (a) Section 2.002(a), Texas Department of Commerce Act (Article  
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15                   (2) encouraging the growth and expansion of existing  
16 businesses, including tourism, in this state; [and]

17                   (3) working with local governments and organizations  
18 to improve their communities; and

19                   (4) emphasizing rural economic development.

20           (b) Section 5.003(a), Texas Department of Commerce Act  
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23           (a) The office shall:

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27 promoting exports, stimulating innovation and entrepreneurship, and



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3 behalf of small businesses and provide advice in the consideration  
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20 (C) providing more effective education,  
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23 (D) providing assistance to small businesses in  
24 complying with federal, state, and local laws;

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22 the services offered by the office;

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26 applications for loans from governmental or private sources;

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19 documents containing information useful to small businesses;

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22 adapting those programs for implementation in Texas;

23 (22) establish an outreach program to make the  
24 existence of the office known to small businesses and potential  
25 clients throughout the state;

26 (23) adopt rules necessary to carry out this article;

27 (24) identify potential business opportunities for

1 small businesses in the border region and develop programs to  
2 maximize those opportunities; [and]

3 (25) identify potential business opportunities for  
4 small businesses in rural areas of this state and develop programs  
5 to maximize those opportunities; and

6 (26) perform any other functions necessary to carry  
7 out the purposes of this article.

8 SECTION 7. AMENDMENTS TO GOVERNMENT CODE. (a) Section  
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17 to improve their communities; and

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4             (3) evaluate the effectiveness of efforts of state  
5     agencies and other entities to assist small businesses and make  
6     appropriate recommendations to assist the development and  
7     strengthening of small business enterprise;

8             (4) identify specific instances in which regulations  
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10    identify conflicting state policy goals;

11            (5) determine the availability of financial and other  
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14    capital and other forms of financial assistance to small  
15    businesses;

16                    (B) generating markets for the goods and  
17    services of small businesses;

18                    (C) providing more effective education,  
19    training, and management and technical assistance to small  
20    businesses; and

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22    complying with federal, state, and local laws;

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24    and failures, ascertain the related factors that are particularly  
25    important in this state, and recommend actions for increasing the  
26    success rate of small businesses;

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4 agencies and small businesses;

5 (9) develop and advocate proposals for changes in  
6 state policies and activities that adversely affect small  
7 businesses;

8 (10) provide to legislative committees and state  
9 agencies information on the effects of proposed policies or actions  
10 that affect small businesses;

11 (11) enlist the assistance of public and private  
12 agencies, businesses, and other organizations in disseminating  
13 information about state programs and services that benefit small  
14 businesses and information regarding means by which small  
15 businesses can use those programs and services;

16 (12) provide information and assistance relating to  
17 establishing, operating, or expanding small businesses;

18 (13) establish and operate a statewide toll-free  
19 telephone service providing small businesses with ready access to  
20 the services offered by the office;

21 (14) identify sources of financial assistance for  
22 small businesses, match small businesses with sources of financial  
23 assistance, and assist small businesses with the preparation of  
24 applications for loans from governmental or private sources;

25 (15) sponsor meetings, to the extent practicable in  
26 cooperation with public and private educational institutions, to  
27 provide training and disseminate information beneficial to small

1 businesses;

2 (16) assist small businesses in their dealings with  
3 federal, state, and local governmental agencies and provide  
4 information regarding governmental requirements affecting small  
5 businesses;

6 (17) perform research, studies, and analyses of  
7 matters affecting the interests of small businesses;

8 (18) develop and implement programs to encourage  
9 governmental agencies, public sector business associations, and  
10 other organizations to provide useful services to small businesses;

11 (19) use available resources within the state, such as  
12 small business development centers, educational institutions, and  
13 nonprofit associations, to coordinate the provision of management  
14 and technical assistance to small businesses in a systematic  
15 manner;

16 (20) publish newsletters, brochures, and other  
17 documents containing information useful to small businesses;

18 (21) identify successful small business assistance  
19 programs provided by other states and determine the feasibility of  
20 adapting those programs for implementation in this state;

21 (22) establish an outreach program to make the  
22 existence of the office known to small businesses and potential  
23 clients throughout the state;

24 (23) adopt rules necessary to carry out this  
25 subchapter;

26 (24) identify potential business opportunities for  
27 small businesses in the border region and develop programs to

1 maximize those opportunities; [and]

2 (25) identify potential business opportunities for  
3 small businesses in rural areas of this state and develop programs  
4 to maximize those opportunities; and

5 (26) perform any other functions necessary to carry  
6 out the purposes of this subchapter.

7 SECTION 8. EFFECTIVE DATE. (a) Except as provided by  
8 Subsections (b) and (c) of this section, this Act takes effect  
9 September 1, 1989.

10 (b) If on September 1, 1989, an Act of the 71st Legislature,  
11 Regular Session, 1989, codifying the Texas Department of Commerce  
12 Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of  
13 the Executive Title, Government Code, is effective, Section 6 of  
14 this Act does not take effect.

15 (c) If on September 1, 1989, an Act of the 71st Legislature,  
16 Regular Session, 1989, codifying the Texas Department of Commerce  
17 Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of  
18 the Executive Title, Government Code, is not effective, Section 7  
19 of this Act does not take effect.

20 SECTION 9. EMERGENCY. The importance of this legislation  
21 and the crowded condition of the calendars in both houses create an  
22 emergency and an imperative public necessity that the  
23 constitutional rule requiring bills to be read on three several  
24 days in each house be suspended, and this rule is hereby suspended.



# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

February 16, 1989

TO: Honorable Dudley Harrison, Chair  
Committee on Agriculture & Livestock  
House of Representatives  
Austin, Texas

In Re: House Bill No. 438  
By: Waterfield

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Bill No. 438 (relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would create the Rural Economic Development Commission. The Commission would conduct studies regarding revitalization of rural areas and the expansion of agribusiness in the state; evaluate existing rural economic development efforts, and perform other duties related to the study and evaluation of rural economic development.\* The Commission would submit a report of its findings to the Legislature in January 1991. The Commission would be abolished January 31, 1991.

The fiscal implications to the State or units of local government cannot be determined.

Source: Department of Commerce  
LBB Staff: JO, JWH, AL, PVT, CKM

# SENATE FAVORABLE COMMITTEE REPORT

Lt. Governor William P. Hobby  
President of the Senate

May 1, 1989

(date)/(time)

Sir:

We, your Committee on ECONOMIC DEVELOPMENT to which was referred  
HB 438 by Watfield have on 5/1, 19 89, had the same  
(measure) (sponsor) (hearing date)

under consideration and I am instructed to report it back with the recommendation (s) that it

☒ do pass and be printed

☐ do pass and be ordered not printed

☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

Senate Sponsor of House Measure Sims

The measure was reported from Committee by the following vote:

	YEA	NAY	PNV	ABSENT
Harris, Chairman	✓			
Green, Vice Chairman				✓
Bivins	✓			
Carriker	✓			
Dickson	✓			✓
Haley	✓			
Henderson	✓			
Leedom	✓			✓
Ratliff	✓			
Sims	✓			
Whitmire	✓			
TOTAL VOTES	8	—	—	3

Carol Webb  
COMMITTEE CLERK

Sims  
CHAIRMAN

1 By: Waterfield, et al. (Senate Sponsor - Sims) H.B. No. 438  
2 (In the Senate - Received from the House March 16, 1989;  
3 March 20, 1989, read first time and referred to Committee on  
4 Economic Development; May 1, 1989, reported favorably by the  
5 following vote: Yeas 8, Nays 0; May 1, 1989, sent to printer.)

6 COMMITTEE VOTE

	Yea	Nay	PNV	Absent
7 Harris	x			
8 Green				x
9 Bivins	x			
10 Carriker	x			
11 Dickson				x
12 Haley	x			
13 Henderson	x			
14 Leedom				x
15 Ratliff	x			
16 Sims	x			
17 Whitmire	x			

19 A BILL TO BE ENTITLED  
20 AN ACT

21 relating to the creation of the Rural Economic Development  
22 Commission and recommendations for development and economic growth  
23 of rural areas and expanding agribusiness.

24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

25 SECTION 1. RURAL ECONOMIC DEVELOPMENT COMMISSION. (a) The  
26 Rural Economic Development Commission consists of:

27 (1) five members appointed by the governor;

28 (2) two members appointed by the lieutenant governor;

29 and

30 (3) two members appointed by the speaker of the house  
31 of representatives.

32 (b) The governor shall designate the chairman of the  
33 commission. The commission shall elect its vice-chairman from  
34 among its members.

35 (c) The commission shall meet at the call of the chairman.

36 (d) An appointment to fill a vacancy of a commission member  
37 shall be made in the same manner as the original appointment.

38 (e) A member of the commission is not entitled to  
39 compensation for services as a commission member.

40 (f) The commission may act only by an affirmative vote of a  
41 majority of its entire membership.

42 (g) The executive director and staff of the Texas Department  
43 of Commerce shall serve as the executive director and staff of the  
44 commission and shall, under the direction of the commission,  
45 perform the administrative duties necessary to carry out the  
46 purposes of this Act.

47 SECTION 2. DUTIES AND FUNCTIONS. The commission's duties  
48 and functions are to:

49 (1) conduct studies and make findings and  
50 recommendations regarding revitalization of rural areas and the  
51 expansion of agribusiness in the state;

52 (2) evaluate the performance and long-term benefits of  
53 existing state rural economic development efforts for consistency  
54 and coordination and for their effect on job creation;

55 (3) review economic development policy recommendations  
56 made by other agencies or organizations concerning rural areas and  
57 recommend to the legislature strategies, policies, and programs  
58 that the commission considers in the best interest of rural areas  
59 of the state;

60 (4) study the rural economic development programs and  
61 policies of other states and determine the feasibility of adapting  
62 those programs or policies for implementation in this state;

63 (5) hold public hearings and receive recommendations  
64 from interested persons and organizations;

65 (6) appoint, as necessary, task forces or other panels  
66 to study and report on specific issues; and

(7) perform other duties and functions the commission determines necessary to carry out the purposes of this Act.

SECTION 3. REPORT. The commission shall submit a report of its findings to the legislature in January 1991.

SECTION 4. ASSISTANCE FROM STATE AGENCIES AND OFFICERS. On request of the commission, a state agency or officer shall provide assistance to the commission in carrying out its duties.

SECTION 5. ABOLISHMENT OF COMMISSION. The Rural Economic Development Commission is abolished and Sections 1-5 of this Act expire January 31, 1991.

SECTION 6. AMENDMENTS TO TEXAS DEPARTMENT OF COMMERCE ACT. (a) Section 2.002(a), Texas Department of Commerce Act (Article 4413(301), Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The department is responsible for planning, organizing, and implementing programs for:

(1) attracting and locating new businesses in this state;

(2) encouraging the growth and expansion of existing businesses, including tourism, in this state; [and]

(3) working with local governments and organizations to improve their communities; and

(4) emphasizing rural economic development.

(b) Section 5.003(a), Texas Department of Commerce Act (Article 4413(301), Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The office shall:

(1) examine the role of small businesses in the state's economy and the contribution of small businesses in generating economic activity, expanding employment opportunities, promoting exports, stimulating innovation and entrepreneurship, and bringing new and untested products and services to the marketplace;

(2) serve as the principal advocate in the state on behalf of small businesses and provide advice in the consideration of administrative requirements and legislation that affect small businesses;

(3) evaluate the effectiveness of efforts of state agencies and other entities to assist small businesses and make appropriate recommendations to assist the development and strengthening of small business enterprise;

(4) identify specific instances in which regulations inhibit small business development and to the extent possible identify conflicting state policy goals;

(5) determine the availability of financial and other resources to small businesses and recommend methods for:

(A) increasing the availability of equity capital and other forms of financial assistance to small businesses;

(B) generating markets for the goods and services of small businesses;

(C) providing more effective education, training, and management and technical assistance to small businesses; and

(D) providing assistance to small businesses in complying with federal, state, and local laws;

(6) describe the reasons for small business successes and failures, ascertain the related factors that are particularly important in Texas, and recommend actions for increasing the success rate of small businesses;

(7) serve as a focal point for receiving complaints and suggestions concerning state government policies and activities that affect small businesses;

(8) assist with the resolution of problems between state agencies and small businesses;

(9) develop and advocate proposals for changes in state policies and activities that adversely affect small businesses;

(10) provide to legislative committees and state agencies information on the effects of proposed policies or actions that affect small businesses;

(11) enlist the assistance of public and private agencies, businesses, and other organizations in disseminating information about state programs and services that benefit small businesses and information regarding means by which small businesses can use those programs and services;

(12) provide information and assistance relating to establishing, operating, or expanding small businesses;

(13) establish and operate a statewide toll-free telephone service providing small businesses with ready access to the services offered by the office;

(14) identify sources of financial assistance for small businesses, match small businesses with sources of financial assistance, and assist small businesses with the preparation of applications for loans from governmental or private sources;

(15) sponsor meetings, to the extent practicable in cooperation with public and private educational institutions, to provide training and disseminate information beneficial to small businesses;

(16) assist small businesses in their dealings with federal, state, and local governmental agencies and provide information regarding governmental requirements affecting small businesses;

(17) perform research, studies, and analyses of matters affecting the interests of small businesses;

(18) develop and implement programs to encourage governmental agencies, public sector business associations, and other organizations to provide useful services to small businesses;

(19) use available resources within the state, such as small business development centers, educational institutions, and nonprofit associations, to coordinate the provision of management and technical assistance to small businesses in a systematic manner;

(20) publish newsletters, brochures, and other documents containing information useful to small businesses;

(21) identify successful small business assistance programs provided by other states and determine the feasibility of adapting those programs for implementation in Texas;

(22) establish an outreach program to make the existence of the office known to small businesses and potential clients throughout the state;

(23) adopt rules necessary to carry out this article;

(24) identify potential business opportunities for small businesses in the border region and develop programs to maximize those opportunities; [and]

(25) identify potential business opportunities for small businesses in rural areas of this state and develop programs to maximize those opportunities; and

(26) perform any other functions necessary to carry out the purposes of this article.

SECTION 7. AMENDMENTS TO GOVERNMENT CODE. (a) Section 481.022(a), Government Code, is amended to read as follows:

(a) The department shall plan, organize, and implement programs for:

(1) attracting and locating new businesses in this state;

(2) encouraging the growth and expansion of existing businesses, including tourism, in this state; [and]

(3) working with local governments and organizations to improve their communities; and

(4) emphasizing rural economic development.

(b) Section 481.103(a), Government Code, is amended to read as follows:

(a) The office shall:

(1) examine the role of small businesses in the state's economy and the contribution of small businesses in generating economic activity, expanding employment opportunities, promoting exports, stimulating innovation and entrepreneurship, and bringing new and untested products and services to the marketplace;

(2) serve as the principal advocate in the state on behalf of small businesses and provide advice in the consideration

1 of administrative requirements and legislation that affect small  
2 businesses;

3 (3) evaluate the effectiveness of efforts of state  
4 agencies and other entities to assist small businesses and make  
5 appropriate recommendations to assist the development and  
6 strengthening of small business enterprise;

7 (4) identify specific instances in which regulations  
8 inhibit small business development and to the extent possible  
9 identify conflicting state policy goals;

10 (5) determine the availability of financial and other  
11 resources to small businesses and recommend methods for:

12 (A) increasing the availability of equity  
13 capital and other forms of financial assistance to small  
14 businesses;

15 (B) generating markets for the goods and  
16 services of small businesses;

17 (C) providing more effective education,  
18 training, and management and technical assistance to small  
19 businesses; and

20 (D) providing assistance to small businesses in  
21 complying with federal, state, and local laws;

22 (6) describe the reasons for small business successes  
23 and failures, ascertain the related factors that are particularly  
24 important in this state, and recommend actions for increasing the  
25 success rate of small businesses;

26 (7) serve as a focal point for receiving complaints  
27 and suggestions concerning state government policies and activities  
28 that affect small businesses;

29 (8) assist with the resolution of problems among state  
30 agencies and small businesses;

31 (9) develop and advocate proposals for changes in  
32 state policies and activities that adversely affect small  
33 businesses;

34 (10) provide to legislative committees and state  
35 agencies information on the effects of proposed policies or actions  
36 that affect small businesses;

37 (11) enlist the assistance of public and private  
38 agencies, businesses, and other organizations in disseminating  
39 information about state programs and services that benefit small  
40 businesses and information regarding means by which small  
41 businesses can use those programs and services;

42 (12) provide information and assistance relating to  
43 establishing, operating, or expanding small businesses;

44 (13) establish and operate a statewide toll-free  
45 telephone service providing small businesses with ready access to  
46 the services offered by the office;

47 (14) identify sources of financial assistance for  
48 small businesses, match small businesses with sources of financial  
49 assistance, and assist small businesses with the preparation of  
50 applications for loans from governmental or private sources;

51 (15) sponsor meetings, to the extent practicable in  
52 cooperation with public and private educational institutions, to  
53 provide training and disseminate information beneficial to small  
54 businesses;

55 (16) assist small businesses in their dealings with  
56 federal, state, and local governmental agencies and provide  
57 information regarding governmental requirements affecting small  
58 businesses;

59 (17) perform research, studies, and analyses of  
60 matters affecting the interests of small businesses;

61 (18) develop and implement programs to encourage  
62 governmental agencies, public sector business associations, and  
63 other organizations to provide useful services to small businesses;

64 (19) use available resources within the state, such as  
65 small business development centers, educational institutions, and  
66 nonprofit associations, to coordinate the provision of management  
67 and technical assistance to small businesses in a systematic  
68 manner;

69 (20) publish newsletters, brochures, and other  
70 documents containing information useful to small businesses;

(21) identify successful small business assistance programs provided by other states and determine the feasibility of adapting those programs for implementation in this state;

(22) establish an outreach program to make the existence of the office known to small businesses and potential clients throughout the state;

(23) adopt rules necessary to carry out this subchapter;

(24) identify potential business opportunities for small businesses in the border region and develop programs to maximize those opportunities; [and]

(25) identify potential business opportunities for small businesses in rural areas of this state and develop programs to maximize those opportunities; and

(26) perform any other functions necessary to carry out the purposes of this subchapter.

SECTION 8. EFFECTIVE DATE. (a) Except as provided by Subsections (b) and (c) of this section, this Act takes effect September 1, 1989.

(b) If on September 1, 1989, an Act of the 71st Legislature, Regular Session, 1989, codifying the Texas Department of Commerce Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of the Executive Title, Government Code, is effective, Section 6 of this Act does not take effect.

(c) If on September 1, 1989, an Act of the 71st Legislature, Regular Session, 1989, codifying the Texas Department of Commerce Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of the Executive Title, Government Code, is not effective, Section 7 of this Act does not take effect.

SECTION 9. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

\* \* \* \* \*

Austin, Texas  
May 1, 1989

Hon. William P. Hobby  
President of the Senate

Sir:

We, your Committee on Economic Development to which was referred H.B. No. 438, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

Harris, Chairman

# LEGISLATIVE BUDGET BOARD

Austin, Texas

MAR 28 1989

## FISCAL NOTE

March 24, 1989

TO: Honorable O.H. "Ike" Harris, Chairman  
Committee on Economic Development  
Senate Chamber  
Austin, Texas

In Re: House Bill No. 438,  
as engrossed  
By: Waterfield

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Bill No. 438, as engrossed (relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would create the Rural Economic Development Commission. The Commission would conduct studies regarding revitalization of rural areas and the expansion of agribusiness in the state; evaluate existing rural economic development efforts, and perform other duties related to the study and evaluation of rural economic development. The Commission would submit a report of its findings to the Legislature in January 1991. The Commission would be abolished January 31, 1991.

The fiscal implications to the State or units of local government cannot be determined.

Source: Department of Commerce  
LBB Staff: JO, JWH, AL, PVT, CKM



# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

February 16, 1989

TO: Honorable Dudley Harrison, Chair  
Committee on Agriculture & Livestock  
House of Representatives  
Austin, Texas

In Re: House Bill No. 438  
By: Waterfield

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Bill No. 438 (relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would create the Rural Economic Development Commission. The Commission would conduct studies regarding revitalization of rural areas and the expansion of agribusiness in the state; evaluate existing rural economic development efforts, and perform other duties related to the study and evaluation of rural economic development. The Commission would submit a report of its findings to the Legislature in January 1991. The Commission would be abolished January 31, 1991.

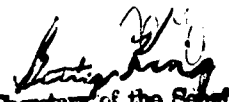
The fiscal implications to the State or units of local government cannot be determined.

Source: Department of Commerce  
LBB Staff: JO, JWH, AL, PVT, CKM

AMEND THE CAPTION TO CONFORM  
TO THE BODY OF THE BILL

**ADOPTED**

MAY 20 1989

  
Secretary of the Senate

ADOPTED

MAY 20 1989

*Anthony King*  
Secretary of the Senate

AMENDMENT NO. 1

BY *Jim*

1 Amend H.B. No. 438 as follows:

2 ✓(1) Delete Section 6 of the bill (Committee Printing, page  
3 2, lines 11-70 and page 3, lines 1-49).

4 ✓(2) Delete introductory language to Section 7 of the bill  
5 (Committee Printing, page 3, lines 50-51) and substitute:

6 SECTION 6. AMENDMENT. Effective September 1, 1989, Section  
7 481.022(a), Government Code, as added by Senate Bill No. 223, Acts  
8 of the 71st Legislature, Regular Session, 1989, is amended to read  
9 as follows:

10 ✓(3) Delete the introductory language to Section 7(b) of the  
11 bill (Committee Printing, page 3, lines 61-62) and substitute:

12 SECTION 7. AMENDMENT. Effective September 1, 1989, Section  
13 481.103(a), Government Code, as added by Senate Bill No. 223, Acts  
14 of the 71st Legislature, Regular Session, 1989, is amended to read  
15 as follows:

16 ✓(4) Delete Section 8 of the bill (Committee Printing, page  
17 5, lines 17-29) and substitute:

18 SECTION 8. REPEALER. Section 2.01, Senate Bill No. 221,  
19 Acts of the 71st Legislature, Regular Session, 1989, does not take  
20 effect.

# SENATE AMENDMENTS

2nd Printing

88 MAY 20 PM 4:36  
HOUSE OF REPRESENTATIVES

By Waterfield, et al.

H.B. No. 438

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. RURAL ECONOMIC DEVELOPMENT COMMISSION. (a) The Rural Economic Development Commission consists of:

(1) five members appointed by the governor;

(2) two members appointed by the lieutenant governor;

and

(3) two members appointed by the speaker of the house of representatives.

(b) The governor shall designate the chairman of the commission. The commission shall elect its vice-chairman from among its members.

(c) The commission shall meet at the call of the chairman.

(d) An appointment to fill a vacancy of a commission member shall be made in the same manner as the original appointment.

(e) A member of the commission is not entitled to compensation for services as a commission member.

(f) The commission may act only by an affirmative vote of a majority of its entire membership.

(g) The executive director and staff of the Texas Department of Commerce shall serve as the executive director and staff of the

1 commission and shall, under the direction of the commission,  
2 perform the administrative duties necessary to carry out the  
3 purposes of this Act.

4 SECTION 2. DUTIES AND FUNCTIONS. The commission's duties  
5 and functions are to:

6 (1) conduct studies and make findings and  
7 recommendations regarding revitalization of rural areas and the  
8 expansion of agribusiness in the state;

9 (2) evaluate the performance and long-term benefits of  
10 existing state rural economic development efforts for consistency  
11 and coordination and for their effect on job creation;

12 (3) review economic development policy recommendations  
13 made by other agencies or organizations concerning rural areas and  
14 recommend to the legislature strategies, policies, and programs  
15 that the commission considers in the best interest of rural areas  
16 of the state;

17 (4) study the rural economic development programs and  
18 policies of other states and determine the feasibility of adapting  
19 those programs or policies for implementation in this state;

20 (5) hold public hearings and receive recommendations  
21 from interested persons and organizations;

22 (6) appoint, as necessary, task forces or other panels  
23 to study and report on specific issues; and

24 (7) perform other duties and functions the commission  
25 determines necessary to carry out the purposes of this Act.

26 SECTION 3. REPORT. The commission shall submit a report of  
27 its findings to the legislature in January 1991.

1           SECTION 4. ASSISTANCE FROM STATE AGENCIES AND OFFICERS. On  
2 request of the commission, a state agency or officer shall provide  
3 assistance to the commission in carrying out its duties.

4           SECTION 5. ABOLISHMENT OF COMMISSION. The Rural Economic  
5 Development Commission is abolished and Sections 1-5 of this Act  
6 expire January 31, 1991.

7           SECTION 6. AMENDMENTS TO TEXAS DEPARTMENT OF COMMERCE ACT.

8       (a) Section 2.002(a), Texas Department of Commerce Act (Article  
9 4413(301), Vernon's Texas Civil Statutes), is amended to read as  
10 follows:

11           (a) The department is responsible for planning, organizing,  
12 and implementing programs for:

13                   (1) attracting and locating new businesses in this  
14 state;

15                   (2) encouraging the growth and expansion of existing  
16 businesses, including tourism, in this state; [and]

17                   (3) working with local governments and organizations  
18 to improve their communities; and

19                   (4) emphasizing rural economic development.

20       (b) Section 5.003(a), Texas Department of Commerce Act  
21 (Article 4413(301), Vernon's Texas Civil Statutes), is amended to  
22 read as follows:

23           (a) The office shall:

24                   (1) examine the role of small businesses in the  
25 state's economy and the contribution of small businesses in  
26 generating economic activity, expanding employment opportunities,  
27 promoting exports, stimulating innovation and entrepreneurship, and

1 bringing new and untested products and services to the marketplace;

2 (2) serve as the principal advocate in the state on  
3 behalf of small businesses and provide advice in the consideration  
4 of administrative requirements and legislation that affect small  
5 businesses;

6 (3) evaluate the effectiveness of efforts of state  
7 agencies and other entities to assist small businesses and make  
8 appropriate recommendations to assist the development and  
9 strengthening of small business enterprise;

10 (4) identify specific instances in which regulations  
11 inhibit small business development and to the extent possible  
12 identify conflicting state policy goals;

13 (5) determine the availability of financial and other  
14 resources to small businesses and recommend methods for:

15 (A) increasing the availability of equity  
16 capital and other forms of financial assistance to small  
17 businesses;

18 (B) generating markets for the goods and  
19 services of small businesses;

20 (C) providing more effective education,  
21 training, and management and technical assistance to small  
22 businesses; and

23 (D) providing assistance to small businesses in  
24 complying with federal, state, and local laws;

25 (6) describe the reasons for small business successes  
26 and failures, ascertain the related factors that are particularly  
27 important in Texas, and recommend actions for increasing the

1 success rate of small businesses;

2 (7) serve as a focal point for receiving complaints  
3 and suggestions concerning state government policies and activities  
4 that affect small businesses;

5 (8) assist with the resolution of problems between  
6 state agencies and small businesses;

7 (9) develop and advocate proposals for changes in  
8 state policies and activities that adversely affect small  
9 businesses;

10 (10) provide to legislative committees and state  
11 agencies information on the effects of proposed policies or actions  
12 that affect small businesses;

13 (11) enlist the assistance of public and private  
14 agencies, businesses, and other organizations in disseminating  
15 information about state programs and services that benefit small  
16 businesses and information regarding means by which small  
17 businesses can use those programs and services;

18 (12) provide information and assistance relating to  
19 establishing, operating, or expanding small businesses;

20 (13) establish and operate a statewide toll-free  
21 telephone service providing small businesses with ready access to  
22 the services offered by the office;

23 (14) identify sources of financial assistance for  
24 small businesses, match small businesses with sources of financial  
25 assistance, and assist small businesses with the preparation of  
26 applications for loans from governmental or private sources;

27 (15) sponsor meetings, to the extent practicable in



1 cooperation with public and private educational institutions, to  
2 provide training and disseminate information beneficial to small  
3 businesses;

4 (16) assist small businesses in their dealings with  
5 federal, state, and local governmental agencies and provide  
6 information regarding governmental requirements affecting small  
7 businesses;

8 (17) perform research, studies, and analyses of  
9 matters affecting the interests of small businesses;

10 (18) develop and implement programs to encourage  
11 governmental agencies, public sector business associations, and  
12 other organizations to provide useful services to small businesses;

13 (19) use available resources within the state, such as  
14 small business development centers, educational institutions, and  
15 nonprofit associations, to coordinate the provision of management  
16 and technical assistance to small businesses in a systematic  
17 manner;

18 (20) publish newsletters, brochures, and other  
19 documents containing information useful to small businesses;

20 (21) identify successful small business assistance  
21 programs provided by other states and determine the feasibility of  
22 adapting those programs for implementation in Texas;

23 (22) establish an outreach program to make the  
24 existence of the office known to small businesses and potential  
25 clients throughout the state;

26 (23) adopt rules necessary to carry out this article;

27 (24) identify potential business opportunities for

1 small businesses in the border region and develop programs to  
2 maximize those opportunities; [and]

3 (25) identify potential business opportunities for  
4 small businesses in rural areas of this state and develop programs  
5 to maximize those opportunities; and

6 (26) perform any other functions necessary to carry  
7 out the purposes of this article.

8 SECTION 7. AMENDMENTS TO GOVERNMENT CODE. (a) Section  
9 481.022(a), Government Code, is amended to read as follows:

10 (a) The department shall plan, organize, and implement  
11 programs for:

12 (1) attracting and locating new businesses in this  
13 state;

14 (2) encouraging the growth and expansion of existing  
15 businesses, including tourism, in this state; [and]

16 (3) working with local governments and organizations  
17 to improve their communities; and

18 (4) emphasizing rural economic development.

19 (b) Section 481.103(a), Government Code, is amended to read  
20 as follows:

21 (a) The office shall:

22 (1) examine the role of small businesses in the  
23 state's economy and the contribution of small businesses in  
24 generating economic activity, expanding employment opportunities,  
25 promoting exports, stimulating innovation and entrepreneurship, and  
26 bringing new and untested products and services to the marketplace;

27 (2) serve as the principal advocate in the state on

1     behalf of small businesses and provide advice in the consideration  
2     of administrative requirements and legislation that affect small  
3     businesses;

4             (3) evaluate the effectiveness of efforts of state  
5     agencies and other entities to assist small businesses and make  
6     appropriate recommendations to assist the development and  
7     strengthening of small business enterprise;

8             (4) identify specific instances in which regulations  
9     inhibit small business development and to the extent possible  
10    identify conflicting state policy goals;

11            (5) determine the availability of financial and other  
12    resources to small businesses and recommend methods for:

13                    (A) increasing the availability of equity  
14    capital and other forms of financial assistance to small  
15    businesses;

16                    (B) generating markets for the goods and  
17    services of small businesses;

18                    (C) providing more effective education,  
19    training, and management and technical assistance to small  
20    businesses; and

21                    (D) providing assistance to small businesses in  
22    complying with federal, state, and local laws;

23             (6) describe the reasons for small business successes  
24    and failures, ascertain the related factors that are particularly  
25    important in this state, and recommend actions for increasing the  
26    success rate of small businesses;

27             (7) serve as a focal point for receiving complaints

1 and suggestions concerning state government policies and activities  
2 that affect small businesses;

3 (8) assist with the resolution of problems among state  
4 agencies and small businesses;

5 (9) develop and advocate proposals for changes in  
6 state policies and activities that adversely affect small  
7 businesses;

8 (10) provide to legislative committees and state  
9 agencies information on the effects of proposed policies or actions  
10 that affect small businesses;

11 (11) enlist the assistance of public and private  
12 agencies, businesses, and other organizations in disseminating  
13 information about state programs and services that benefit small  
14 businesses and information regarding means by which small  
15 businesses can use those programs and services;

16 (12) provide information and assistance relating to  
17 establishing, operating, or expanding small businesses;

18 (13) establish and operate a statewide toll-free  
19 telephone service providing small businesses with ready access to  
20 the services offered by the office;

21 (14) identify sources of financial assistance for  
22 small businesses, match small businesses with sources of financial  
23 assistance, and assist small businesses with the preparation of  
24 applications for loans from governmental or private sources;

25 (15) sponsor meetings, to the extent practicable in  
26 cooperation with public and private educational institutions, to  
27 provide training and disseminate information beneficial to small

1 businesses;

2 (16) assist small businesses in their dealings with  
3 federal, state, and local governmental agencies and provide  
4 information regarding governmental requirements affecting small  
5 businesses;

6 (17) perform research, studies, and analyses of  
7 matters affecting the interests of small businesses;

8 (18) develop and implement programs to encourage  
9 governmental agencies, public sector business associations, and  
10 other organizations to provide useful services to small businesses;

11 (19) use available resources within the state, such as  
12 small business development centers, educational institutions, and  
13 nonprofit associations, to coordinate the provision of management  
14 and technical assistance to small businesses in a systematic  
15 manner;

16 (20) publish newsletters, brochures, and other  
17 documents containing information useful to small businesses;

18 (21) identify successful small business assistance  
19 programs provided by other states and determine the feasibility of  
20 adapting those programs for implementation in this state;

21 (22) establish an outreach program to make the  
22 existence of the office known to small businesses and potential  
23 clients throughout the state;

24 (23) adopt rules necessary to carry out this  
25 subchapter;

26 (24) identify potential business opportunities for  
27 small businesses in the border region and develop programs to

1 maximize those opportunities; [and]

2 (25) identify potential business opportunities for  
3 small businesses in rural areas of this state and develop programs  
4 to maximize those opportunities; and

5 (26) perform any other functions necessary to carry  
6 out the purposes of this subchapter.

7 SECTION 8. EFFECTIVE DATE. (a) Except as provided by  
8 Subsections (b) and (c) of this section, this Act takes effect  
9 September 1, 1989.

10 (b) If on September 1, 1989, an Act of the 71st Legislature,  
11 Regular Session, 1989, codifying the Texas Department of Commerce  
12 Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of  
13 the Executive Title, Government Code, is effective, Section 6 of  
14 this Act does not take effect.

15 (c) If on September 1, 1989, an Act of the 71st Legislature,  
16 Regular Session, 1989, codifying the Texas Department of Commerce  
17 Act (Article 4413(301), Vernon's Texas Civil Statutes) as part of  
18 the Executive Title, Government Code, is not effective, Section 7  
19 of this Act does not take effect.

20 SECTION 9. EMERGENCY.. The importance of this legislation  
21 and the crowded condition of the calendars in both houses create an  
22 emergency and an imperative public necessity that the  
23 constitutional rule requiring bills to be read on three several  
24 days in each house be suspended, and this rule is hereby suspended.

**ADOPTED**

MAY 20 1989

*Latoy King*  
Secretary of the Senate

AMENDMENT NO. 1

BY *Jim*

1 Amend H.B. No. 438 as follows:

2 (1) Delete Section 6 of the bill (Committee Printing, page  
3 2, lines 11-70 and page 3, lines 1-49).

4 (2) Delete introductory language to Section 7 of the bill  
5 (Committee Printing, page 3, lines 50-51) and substitute:

6 SECTION 6. AMENDMENT. Effective September 1, 1989, Section  
7 481.022(a), Government Code, as added by Senate Bill No. 223, Acts  
8 of the 71st Legislature, Regular Session, 1989, is amended to read  
9 as follows:

10 (3) Delete the introductory language to Section 7(b) of the  
11 bill (Committee Printing, page 3, lines 61-62) and substitute:

12 SECTION 7. AMENDMENT. Effective September 1, 1989, Section  
13 481.103(a), Government Code, as added by Senate Bill No. 223, Acts  
14 of the 71st Legislature, Regular Session, 1989, is amended to read  
15 as follows:

16 (4) Delete Section 8 of the bill (Committee Printing, page  
17 5, lines 17-29) and substitute:

18 SECTION 8. REPEALER. Section 2.01, Senate Bill No. 221,  
19 Acts of the 71st Legislature, Regular Session, 1989, does not take  
20 effect.

AMEND THE CAPTION TO CONFORM  
TO THE BODY OF THE BILL

**ADOPTED**

MAY 20 1969

*Barry King*  
Secretary of the Senate



# LEGISLATIVE BUDGET BOARD

Austin, Texas

MAR 28 1989

## FISCAL NOTE

March 24, 1989

TO: Honorable O.H. "Ike" Harris, Chairman  
Committee on Economic Development  
Senate Chamber  
Austin, Texas

In Re: House Bill No. 438,  
as engrossed  
By: Waterfield

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Bill No. 438, as engrossed (relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would create the Rural Economic Development Commission. The Commission would conduct studies regarding revitalization of rural areas and the expansion of agribusiness in the state; evaluate existing rural economic development efforts, and perform other duties related to the study and evaluation of rural economic development. The Commission would submit a report of its findings to the Legislature in January 1991. The Commission would be abolished January 31, 1991.

The fiscal implications to the State or units of local government cannot be determined.

Source: Department of Commerce  
LBB Staff: JO, JWH, AL, PVT, CKM

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE

February 16, 1989

TO: Honorable Dudley Harrison, Chair  
Committee on Agriculture & Livestock  
House of Representatives  
Austin, Texas

In Re: House Bill No. 438  
By: Waterfield

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Bill No. 438 (relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would create the Rural Economic Development Commission. The Commission would conduct studies regarding revitalization of rural areas and the expansion of agribusiness in the state; evaluate existing rural economic development efforts, and perform other duties related to the study and evaluation of rural economic development.\* The Commission would submit a report of its findings to the Legislature in January 1991. The Commission would be abolished January 31, 1991.

The fiscal implications to the State or units of local government cannot be determined.

Source: Department of Commerce  
LBB Staff: JO, JWH, AL, PVT, CKM

F  
**ENROLLED**  
H.B. No. 438

1 AN ACT

2 relating to the creation of the Rural Economic Development  
3 Commission and recommendations for development and economic growth  
4 of rural areas and expanding agribusiness.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. RURAL ECONOMIC DEVELOPMENT COMMISSION. (a) The  
7 Rural Economic Development Commission consists of:

8 (1) five members appointed by the governor;

9 (2) two members appointed by the lieutenant governor;

10 and

11 (3) two members appointed by the speaker of the house  
12 of representatives.

13 (b) The governor shall designate the chairman of the  
14 commission. The commission shall elect its vice-chairman from  
15 among its members.

16 (c) The commission shall meet at the call of the chairman.

17 (d) An appointment to fill a vacancy of a commission member  
18 shall be made in the same manner as the original appointment.

19 (e) A member of the commission is not entitled to  
20 compensation for services as a commission member.

21 (f) The commission may act only by an affirmative vote of a  
22 majority of its entire membership.

23 (g) The executive director and staff of the Texas Department  
24 of Commerce shall serve as the executive director and staff of the

1 commission and shall, under the direction of the commission,  
2 perform the administrative duties necessary to carry out the  
3 purposes of this Act.

4 SECTION 2. DUTIES AND FUNCTIONS. The commission's duties  
5 and functions are to:

6 (1) conduct studies and make findings and  
7 recommendations regarding revitalization of rural areas and the  
8 expansion of agribusiness in the state;

9 (2) evaluate the performance and long-term benefits of  
10 existing state rural economic development efforts for consistency  
11 and coordination and for their effect on job creation;

12 (3) review economic development policy recommendations  
13 made by other agencies or organizations concerning rural areas and  
14 recommend to the legislature strategies, policies, and programs  
15 that the commission considers in the best interest of rural areas  
16 of the state;

17 (4) study the rural economic development programs and  
18 policies of other states and determine the feasibility of adapting  
19 those programs or policies for implementation in this state;

20 (5) hold public hearings and receive recommendations  
21 from interested persons and organizations;

22 (6) appoint, as necessary, task forces or other panels  
23 to study and report on specific issues; and

24 (7) perform other duties and functions the commission  
25 determines necessary to carry out the purposes of this Act.

26 SECTION 3. REPORT. The commission shall submit a report of  
27 its findings to the legislature in January 1991.

1           SECTION 4. ASSISTANCE FROM STATE AGENCIES AND OFFICERS. On  
2 request of the commission, a state agency or officer shall provide  
3 assistance to the commission in carrying out its duties.

4           SECTION 5. ABOLISHMENT OF COMMISSION. The Rural Economic  
5 Development Commission is abolished and Sections 1-5 of this Act  
6 expire January 31, 1991.

7           SECTION 6. AMENDMENT. Effective September 1, 1989, Section  
8 481.022(a), Government Code, as added by Senate Bill No. 223, Acts  
9 of the 71st Legislature, Regular Session, 1989, is amended to read  
10 as follows:

11           (a) The department shall plan, organize, and implement  
12 programs for:

13                   (1) attracting and locating new businesses in this  
14 state;

15                   (2) encouraging the growth and expansion of existing  
16 businesses, including tourism, in this state; ~~[and]~~

17                   (3) working with local governments and organizations  
18 to improve their communities; and

19                   (4) emphasizing rural economic development.

20           SECTION 7. AMENDMENT. Effective September 1, 1989, Section  
21 481.103(a), Government Code, as added by Senate Bill No. 223, Acts  
22 of the 71st Legislature, Regular Session, 1989, is amended to read  
23 as follows:

24           (a) The office shall:

25                   (1) examine the role of small businesses in the  
26 state's economy and the contribution of small businesses in  
27 generating economic activity, expanding employment opportunities,

1 promoting exports, stimulating innovation and entrepreneurship, and  
2 bringing new and untested products and services to the marketplace;

3 (2) serve as the principal advocate in the state on  
4 behalf of small businesses and provide advice in the consideration  
5 of administrative requirements and legislation that affect small  
6 businesses;

7 (3) evaluate the effectiveness of efforts of state  
8 agencies and other entities to assist small businesses and make  
9 appropriate recommendations to assist the development and  
10 strengthening of small business enterprise;

11 (4) identify specific instances in which regulations  
12 inhibit small business development and to the extent possible  
13 identify conflicting state policy goals;

14 (5) determine the availability of financial and other  
15 resources to small businesses and recommend methods for:

16 (A) increasing the availability of equity  
17 capital and other forms of financial assistance to small  
18 businesses;

19 (B) generating markets for the goods and  
20 services of small businesses;

21 (C) providing more effective education,  
22 training, and management and technical assistance to small  
23 businesses; and

24 (D) providing assistance to small businesses in  
25 complying with federal, state, and local laws;

26 (6) describe the reasons for small business successes  
27 and failures, ascertain the related factors that are particularly

1 important in this state, and recommend actions for increasing the  
2 success rate of small businesses;

3 (7) serve as a focal point for receiving complaints  
4 and suggestions concerning state government policies and activities  
5 that affect small businesses;

6 (8) assist with the resolution of problems among state  
7 agencies and small businesses;

8 (9) develop and advocate proposals for changes in  
9 state policies and activities that adversely affect small  
10 businesses;

11 (10) provide to legislative committees and state  
12 agencies information on the effects of proposed policies or actions  
13 that affect small businesses;

14 (11) enlist the assistance of public and private  
15 agencies, businesses, and other organizations in disseminating  
16 information about state programs and services that benefit small  
17 businesses and information regarding means by which small  
18 businesses can use those programs and services;

19 (12) provide information and assistance relating to  
20 establishing, operating, or expanding small businesses;

21 (13) establish and operate a statewide toll-free  
22 telephone service providing small businesses with ready access to  
23 the services offered by the office;

24 (14) identify sources of financial assistance for  
25 small businesses, match small businesses with sources of financial  
26 assistance, and assist small businesses with the preparation of  
27 applications for loans from governmental or private sources;

1           (15) sponsor meetings, to the extent practicable in  
2 cooperation with public and private educational institutions, to  
3 provide training and disseminate information beneficial to small  
4 businesses;

5           (16) assist small businesses in their dealings with  
6 federal, state, and local governmental agencies and provide  
7 information regarding governmental requirements affecting small  
8 businesses;

9           (17) perform research, studies, and analyses of  
10 matters affecting the interests of small businesses;

11           (18) develop and implement programs to encourage  
12 governmental agencies, public sector business associations, and  
13 other organizations to provide useful services to small businesses;

14           (19) use available resources within the state, such as  
15 small business development centers, educational institutions, and  
16 nonprofit associations, to coordinate the provision of management  
17 and technical assistance to small businesses in a systematic  
18 manner;

19           (20) publish newsletters, brochures, and other  
20 documents containing information useful to small businesses;

21           (21) identify successful small business assistance  
22 programs provided by other states and determine the feasibility of  
23 adapting those programs for implementation in this state;

24           (22) establish an outreach program to make the  
25 existence of the office known to small businesses and potential  
26 clients throughout the state;

27           (23) adopt rules necessary to carry out this



1 subchapter;

2 (24) identify potential business opportunities for  
3 small businesses in the border region and develop programs to  
4 maximize those opportunities; [and]

5 (25) identify potential business opportunities for  
6 small businesses in rural areas of this state and develop programs  
7 to maximize those opportunities; and

8 (26) perform any other functions necessary to carry  
9 out the purposes of this subchapter.

10 SECTION 8. REPEALER. Section 2.01, Senate Bill No. 221,  
11 Acts of the 71st Legislature, Regular Session, 1989, does not take  
12 effect.

13 SECTION 9. EMERGENCY. The importance of this legislation  
14 and the crowded condition of the calendars in both houses create an  
15 emergency and an imperative public necessity that the  
16 constitutional rule requiring bills to be read on three several  
17 days in each house be suspended, and this rule is hereby suspended.

H.B. No. 438

---

President of the Senate

---

Speaker of the House

I certify that H.B. No. 438 was passed by the House on March 15, 1989, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 438 on May 23, 1989, by a non-record vote.

---

Chief Clerk of the House

I certify that H.B. No. 438 was passed by the Senate, with amendments, on May 20, 1989, by the following vote: Yeas 30, Nays 0.

---

Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 438<sup>✓</sup> was passed by the House on  
(1)

March 15<sup>✓</sup>, 1989, by a non-record vote;  
(2)

and that the House concurred in Senate amendments to H.B. No. 438<sup>✓</sup>  
on May 23<sup>✓</sup>, 1989, by a non-record vote.  
(3)

\_\_\_\_\_  
Chief Clerk of the House

\*\*\*\* Preparation: 'A;CT64;

I certify that H.B. No. 438<sup>✓</sup> was passed by the Senate, with  
(1)  
amendments, on May 20<sup>✓</sup>, 1989, by the  
(2)

following vote: Yeas 30<sup>✓</sup>, Nays 0<sup>✓</sup>  
(3) (4)

\_\_\_\_\_  
Secretary of the Senate

APPROVED:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

\*\*\*\* Preparation: 'A;CT14;

H. B. No.

438

By

E. Waterfall

## A BILL TO BE ENTITLED

## AN ACT

relating to the creation of the Rural Economic Development Commission and recommendations for development and economic growth of rural areas and expanding agribusiness.

JAN 16 1989

1. Filed with the Chief Clerk.

FEB 8 1989

2. Read first time and Referred to Committee on

Agriculture + Livestock

FEB 22 1989

3. Reported \_\_\_ favorably <sup>(as amended)</sup>  
<sub>(as substituted)</sub> and sent to Printer at 1:40 pm  
FEB 23 1989

FEB 23 1989

4. Printed and distributed at 5:49 pm

FEB 28 1989

5. Sent to Committee on Calendars at 8:38 am

MAR 14 1989

6. Read second time <sup>(amended)</sup>; passed to third reading <sup>(failed)</sup> by Non-Record Vote  
(Record Vote of \_\_\_ years, \_\_\_ nays, \_\_\_ present, not voting).

7. Motion to reconsider and table the vote by which H.B. \_\_\_ was ordered engrossed prevailed (failed) by a (Non-Record Vote) (Record Vote of \_\_\_ years, \_\_\_ nays, and \_\_\_ present, not voting).

8. Constitutional Rule requiring bills to be read on three several days suspended (failed to suspend) by a four-fifths vote of \_\_\_ years, \_\_\_ nays, and \_\_\_ present, not voting.

MAR 15 1989

9. Read third time <sup>(amended)</sup>; finally passed <sup>(failed)</sup> by Non-Record Vote  
(Record Vote of \_\_\_ years, \_\_\_ nays, \_\_\_ present, not voting).

10. Caption ordered amended to conform to body of bill.

11. Motion to reconsider and table the vote by which H. B. \_\_\_ was finally passed prevailed (failed) by a (Non-Record Vote) (Record Vote of \_\_\_ years, \_\_\_ nays, and \_\_\_ present, not voting).

MAR 15 1989

12. Ordered Engrossed at 10:41 am

MAR 15 1989

13. Engrossed.

MAR 15 1989

14. Returned to Chief Clerk at 12:32 pm

MAR 16 1989

15. Sent to Senate.

Betty Murray  
Chief Clerk of the House

MAR 16 1989

16. Received from the House

MAR 20 1989

17. Read, referred to Committee on ECONOMIC DEVELOPMENT

MAY 1 1989

18. Reported favorably

19. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

20. Ordered not printed.

MAY 20 1989

21. Regular order of business suspended by unanimous  
(a viva voce vote) consent  
(\_\_\_ years, \_\_\_ nays, \_\_\_ present, not voting).

89 MAR 15 PM 12: 32  
HOUSE OF REPRESENTATIVES

89 MAY 20 PM 4: 36  
HOUSE OF REPRESENTATIVES

22. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays.

MAY 20 1989

23. Read second time amended passed to third reading by:  
(a viva voce vote.)  
(\_\_\_\_\_ yeas, \_\_\_\_\_ nays.)

MAY 20 1989

24. Caption ordered amended to conform to body of bill.

MAY 20 1989

25. Senate and Constitutional 3-Day Rules suspended by vote of 29 yeas,  
\_\_\_\_\_ nays to place bill on third reading and final passage.

MAY 20 1989

26. Read third time and passed by

(a viva voce vote.)  
30 yeas, 0 nays.)

OTHER ACTION:

OTHER ACTION:

Betty King  
Secretary of the Senate

May 20, 1989

27. Returned to the House.

MAY 20 1989

28. Received from the Senate (with amendments.)  
(~~as substituted~~.)

MAY 23 1989

29. House (Concurred) (~~Refused to Concur~~) in Senate (Amendments) (~~Substitute~~) by a (Non-Record  
(Vote) (Record Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present,  
not voting).

30. Conference Committee Ordered.

MAY 23 1989

31. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record  
Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, and \_\_\_\_\_ present, not voting).

32. Ordered Enrolled at

5:34 pm

HOUSE OF REPRESENTATIVES  
89 MAR 14 AM 11: 54

HOUSE OF REPRESENTATIVES  
89 FEB 23 PM 5: 49

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